

DEPARTMENT OF THE ARMY  
U.S. ARMY MEDICAL RESEARCH AND MATERIEL COMMAND  
504 Scott Street  
Fort Detrick, MD 21702-5012

USAMRMC Regulation  
Number 700-6

5 JUL 2002

Logistics  
LOAN OF COMMAND PROPERTY

Local supplementation of this regulation is not permitted.

1. HISTORY. This regulation supersedes USAMRDC Regulation 700-6, 1 February 1984.

2. PURPOSE. The purpose of this regulation is to establish guidelines and procedures for the loan of Command-owned property within the U.S. Army Medical Research and Materiel Command (USAMRMC), to other U.S. military and Department of Defense (DOD) activities, non-DOD Federal agencies, and other commercial and non-DOD entities and organizations.

3. REFERENCES.

a. AR 40-61, Medical Logistics Policies and Procedures, 25 January 1995.

b. AR 70-57, Military-Civilian Technology Transfer, 25 July 1991

c. AR 700-131, Loan and Lease of Army Materiel, 1 September 1996

d. AR 710-2, Inventory Management Supply Policy Below the Wholesale Level, 31 October 1997.

e. AR 735-5, Policies and Procedures for Property Accountability, 31 January 1998.

f. DA Pam 710-2-1, Using Unit Supply System (Manual Procedures), 31 December 1997.

g. USAMEDCOM Business Operations Bulletin No. 3-00 (Loan, Rental, or Lease of Personal Property), 20 July 2000.

h. ADSM 18-HL3-RPB-IBM-UM, Army Medical Department Property Accounting System (AMEDDPAS) User's Manual.

4. APPLICABILITY. This regulation is applicable to the Headquarters and all subordinate USAMRMC units and detachments.

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5. DEFINITION. A loan is the granting of temporary possession or use of non-excess Army property or materiel for which payment of a lease fee is not required. A loan transaction may involve either the issue or receipt of property or materiel for which the USAMRMC organization maintains appropriate loan agreement documentation and accountability records.

## 6. RESPONSIBILITIES

a. Commanders are responsible for approving requests for loans of materiel under their control and in accordance with the procedures established by this regulation and AR 700-131.

b. Organizational property book officers are responsible for maintaining a formal loan agreement file and supporting documentation and for initiating action, as necessary, to recover or return loaned property at the termination of the loan period. For contract loans, contact the appropriate Government contracting officer.

c. Supporting contracting officers are responsible for ensuring that USAMRMC materiel issued as Government furnished property (GFP) under the terms of a contract, Cooperative Research and Development Agreement (CRDA), cooperative agreement, loan agreement, or grant is administered and accounted for in accordance with Army/DOD/Federal Acquisition Regulation policies and procedures.

d. Organizational maintenance officers are responsible for ensuring that medical equipment/systems received into the organization or issued by the organization are technically inspected and condition coded prior to issue or use and that appropriate maintenance records are maintained throughout the duration of the loan.

e. Borrowers and/or recipients of loaned materiel are responsible for the proper care, safeguarding, and proper use and maintenance of loaned property. Lost, damaged, or destroyed materiel will be accounted for in accordance with AR 735-5.

## 7. GENERAL PROCEDURES.

a. Loan(s) of Command-owned property or materiel between subordinate USAMRMC activities is encouraged.

b. Loans of Command-owned property or materiel outside of the U.S. Army Medical Command (MEDCOM) to DOD, non-DOD, Federal and non-Federal agencies or organizations must be pre-approved by Headquarters, USAMRMC. The only exception to this rule involves loans or GFP made incident to a commercial contract, CRDA, cooperative agreement, loan agreement or grant executed and administered under the

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provisions of AR 70-57 and current acquisition and assistance regulations. Requests for loan approval will be submitted in letter format to Commanding General, USAMRMC (MCMR-RML) in accordance with procedures outlined in this regulation.

c. Emergency requests for authorization to loan property or materiel may be accomplished telephonically or by electronic mail with follow-up documentation provided to the authorizing official, as requested.

d. All USAMRMC activities will utilize the applicable standard loan agreement format(s), DA Forms 4881-1-R through 4881-6-R, provided in AR 700-131 for those loans requiring a formal loan agreement (all non-DOD agencies).

e. All USAMRMC property or materiel loaned under this regulation will be made available to the borrower in its present condition. Unless formally declared excess, the least serviceable property or materiel (Supply Condition Code A, B, or C/AR 725-50, Table C-38) will receive the higher loan priority (e.g., Priority 1 - SCC C, Priority 2 - SSC B, etc.).

f. Procurement or redistribution of Command assets to offset the effect of a loan transaction is not authorized.

g. Materiel will not be assembled, earmarked, or otherwise stockpiled for the purpose of accomplishing a loan transaction.

h. Materiel loaned under the provisions of this regulation will not be altered or modified without the written approval of the owning commander.

i. Shipment costs for loaned materiel will be borne by the requesting activity unless otherwise mutually agreed upon by the lending and borrowing activity commanders.

#### 8 LOANS BETWEEN USAMRMC ACTIVITIES AND OTHER MEDCOM ORGANIZATIONS.

a. Activities will comply with loan procedures outlined in Chapter 3 of AR 700-131 when transacting loans between subordinate USAMRMC units and loans made to other MEDCOM organizations.

b. Loan authority is delegated to subordinate USAMRMC commanders. The minimum information required for each loan transaction includes the following:

(1) Complete identification of the property or materiel to be loaned

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(2) Intended recipient, to include name and identification of supporting property book officer, Department of Defense Activity Address Code (DODAAC), and AMEDDPAS Property Book Identifier Code.

(3) Intended use of loaned property or materiel

(4) Loan period (not to exceed one year). Requests for loan extensions will be processed in accordance with paragraph 3-6, AR 700-131.

(5) Restriction(s) placed on the loan property or materiel (e.g., Not for use in electrically susceptible patient care locations).

(6) Brief statement explaining rationale for a loan vs. lateral transfer transaction.

#### 9. LOANS TO OTHER DOD ACTIVITIES OR FEDERAL GOVERNMENT AGENCIES.

a. Loans of property or materiel to Army, other DOD activities, or Federal agencies may be authorized for temporary and non-recurring requirements only. Duration of such loans in support of research, development, test, and evaluation (RDTE) efforts will be made from accountable property officer to accountable property officer only and for a period not to exceed two years. Extensions will not be granted

b. In all instances, a loan agreement is required. A loan agreement may consist of a Hand Receipt (DA Form 2062), but will always meet the approval and accounting provisions of paragraphs 2-2 and 3-1, AR 700-131.

c. The U.S. Army Medical Materiel Agency (MCMR-MMZ) has loan authority for any loan transactions involving issue of wholesale-owned medical equipment or other Class VIII materiel.

d. All loan agreements and/or hand receipts will be reviewed and updated on an annual basis by the lending activity's accountable property officer.

#### 10. LOANS TO NON-FEDERAL GOVERNMENT AGENCIES AND INSTITUTIONS.

a. Loan authority, to include loan periods by category of equipment to non-Federal government and civilian institutions, is outlined in Table 2-1, AR 700-131. Exceptions to this table must be submitted through USAMRMC (MCMR-RML), through MEDCOM (MCLO-O), to Department of the Army Deputy Chief of Staff for Logistics (DALO-SMM) for waiver authority.

b. Formal loan requests should be received by the appropriate loan authority not later than 45 calendar days prior to the date the

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loan period is to begin. Loan requests will comply with the request procedures outlined in paragraph 2-13d, AR 700-131.

c. Upon approval by the appropriate loan authority, requests will be forwarded by the USAMRMC Deputy Chief of Staff for Logistics (DCSLOG) to the U.S. Army Medical Research Acquisition Activity (USAMRAA) (MCMR-AAA) for preparation of a formal loan agreement. The USAMRAA will accomplish the following administrative actions:

(1) Prepare the required loan agreement in accordance with AR 700-131 and applicable Army/DOD/Federal Acquisition regulatory guidance. Appendices A and B identify the essential data required for preparation of a standard loan agreement.

(2) Forward the proposed agreement to the borrowing organization or individual (i.e., independent research scientist, etc.) for signature.

(3) Upon receipt of a signed agreement, a designated contracting official at USAMRAA will sign the agreement on behalf of USAMRMC and forward the approved agreement to the lending organization.

(4) Failure of the borrowing activity to sign a formal loan agreement nullifies the loan transaction until such time that the contracting official at USAMRAA and the borrowing activity agree on the terms and conditions of the approved loan.

(5) Upon receipt of a signed loan agreement by all parties, the loaning activity may complete coordination actions to issue the loaned property or material. Shipment costs remain the responsibility of the recipient organization.

(6) The need for a surety bond is determined by the supporting contracting official.

d. To preclude the initiation of a stand-alone loan agreement, it is preferred that the loaning activity or supporting contracting officer utilize an existing contract or assistance vehicle to support the loan of materiel.

## 11 LOANS TO GOVERNMENT CONTRACTORS

a. Command-owned property may be furnished to a contractor entity as GFP only in conjunction with the terms and execution of a Government contract.

b. Requests for loan approval are prepared and submitted as outlined in paragraph 6. In addition, the following information must be submitted:

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- (1) Name and address of contractor.
- (2) Contract number and period of contract (for GFP approved subsequent to issue of a contract agreement).
- (3) Government contracting officer's name and address.

c. Approved requests for GFP will be prepared and submitted in accordance with paragraphs 2-1 and 2-3 of AR 700-131 and appropriate guidelines contained in the Federal Acquisition Regulation, Part 45-Government Property.

d. The contracting official has final approval authority on any GFP. Property or materiel loaned under the terms of a Government contract will identify a property administrator and will identify the terms and conditions for return of loaned materiel to the loaning activity or ownership transfer during the course of or at the termination of the contractual agreement.

e. All property and materiel loaned to a Government contractor as GFP will be identified and accounted for on applicable contract property records.

f. Temporary use of Command-owned property (i.e., personal computer, printer, work station furniture, telephone, fax machine, etc.) at the Government work site by contract support personnel is not considered GFP unless specifically identified in the contract as such. Temporary use of Command-owned property by contracted personnel should comply with the following guidelines:

- (1) Current DA regulatory guidance prohibits an accountable officer from hand receipting or transferring Government materiel to contractors or contracted personnel.

- (2) Temporary use of Government equipment, facilities, and services must be identified in a Statement of Work and applicable clauses inserted into the contract document in order to protect the interests of the Government and contractor entity.

- (3) Contract clauses should be written to ensure recoverability of lost, damaged, or destroyed property and materiel in cases of approved pecuniary liability involving the responsibility of Government contractor personnel to properly safeguard and maintain Government property and materiel entrusted to their daily use and care.

- (4) Decisions by contracting officers involving the loss, damage, or destruction of Government property are final and conclusive unless appealed by the contractor under the disputes clause of a contract.

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(5) This regulation should not preclude subordinate commanders from establishing internal property management controls (e.g., sub-hand receipts, etc.) to assign responsibility and to oversee and manage Command-owned property and equipment temporarily issued to support on-site Government contractor personnel.

12. LOANS TO FOREIGN GOVERNMENTS AND NON-GOVERNMENT AGENCIES. The loan of property or materiel to a foreign government, agency, or individual is prohibited, except as identified below:

a. Approved loans of property or materiel may be made to certain foreign government agencies in support of the North Atlantic Treaty Organization (NATO) Standardization Program under the provisions of AR 34-1 (International Military Rationalization, Standardization, and Interoperability).

b. Property or materiel may be loaned under the provisions of the security assistance or foreign military sales procedures outlined in AR 12-8 (Security Assistance-Operation and Procedures).

c. Use of these exceptions requires Headquarters Department of the Army and DOD-level review and approval and may include loans of non-tactical property and materiel for period(s) not to exceed five years.

13. MANAGEMENT OF LOANS

a. To improve visibility, accountability, and management control of loaned property, the following procedures are established:

(1) Property loaned outside the organization will be posted to an Army Medical Department Property Accounting System (AMEDDPAS) or Mission Supply Support Account (MSSA) hand receipt created specifically for this purpose. The applicable accountable officer will act as the primary hand receipt holder in all cases.

(2) All documentation pertaining to the loan of property or materiel, to include approval documents, loan agreements, and contracts, will be maintained in a loan hand receipt file or loan agreement file throughout the entire duration of the loan and retained for a period of two years following the termination of the loan.

(3) Loaned equipment (incoming) will be technically inspected prior to issue and use within the organization. Maintenance records will be established in AMEDDPAS and maintained throughout the duration of the loan for all Subsystem Category Code B and Z (Maintenance Significant) lines. Medical equipment/systems approved for loan outside the organization will be technically inspected and condition coded prior to issue with maintenance documentation maintained in the appropriate loan agreement or hand receipt file.

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(4) Loan hand receipts will be reviewed semi-annually by the accountable officer and updated as required. Formal joint inventories of loaned property will be conducted annually in accordance with Table 2-1, AR 710-2.

b. Accountable officer(s) will provide one copy of their loan hand receipt to the Commanding General, USAMRMC (MCMR-RML), on an annual basis to arrive at the Headquarters not later than the 15<sup>th</sup> of January.

c. Reports of property or materiel loaned to non-DOD activities will be consolidated and reported to the MEDCOM (MCLO-O) by the USAMRMC DCSLOG in accordance with Chapter 6, AR 700-131.




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The proponent of this memorandum is the Deputy Chief of Staff for Logistics. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to Commanding General, U.S. Army Medical Research and Materiel Command (MCMR-RML), 504 Scott Street, Fort Detrick, MD 21702-5012.

FOR THE COMMANDER:

OFFICIAL:



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DISTRIBUTION:

A plus

MCMR-RMI-R (22)

MCMR-RML (6)

APPENDIX A

Essential Elements to be Included in Loan Agreements

1. Official name of borrowing activity or organization
2. Description of the property or materiel and its present condition
3. Prohibition on the modification of property or materiel without consent of the owning unit and Headquarters, USAMRMC.
4. Stated requirement for borrowing activity to maintain the property and the return of same in as good a condition as when loaned (less acceptable fair wear and tear). If required, the borrowing activity may be directed to recondition the loaned property prior to or upon return.
5. Stated requirement for borrowing activity to pay all costs for boxing and crating, shipping, handling, preservation, replacement and/or repairs incident to the loan.
6. Personal liability disclaimer statement regarding use of property or materiel by the borrowing activity.
7. Location and point of contact to where property or materiel is to be returned upon termination of the loan.
8. Statement of derived benefits resulting from the loan of property or materiel.

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APPENDIX B

Sample Loan Agreement (Letterhead Format)

LOAN OF GOVERNMENT EQUIPMENT

AGREEMENT NO (e.g., DAMD17-02-A-0001)

TO

(Official Name of Borrowing Activity/Institution)

(Hereinafter referred to as the Borrower)

FROM

U.S ARMY MEDICAL RESEARCH AND MATERIEL COMMAND

MCMR-AAA

FORT DETRICK, MD 21702-5012

(Hereinafter referred to as the Government)

1. Pursuant to the authority of Army Federal Acquisition Regulation Supplement, Part \_\_\_\_\_, Section \_\_\_\_\_, the Government hereby loans to the Borrower the following listed Government-owned equipment (materiel), subject to the provisions listed below:

<u>DESCRIPTION</u>	<u>NSN</u>	<u>ACQN COST</u>	<u>ACQN DATE</u>
(Item name, Manufacturer, Model, Serial No., MMCN)	(As Cataloged)	(As Cataloged)	(As Cataloged)

2. The above listed Government-owned equipment is loaned "As Is" and will be returned in as good condition as received, less accepted fair wear and tear. The Borrower shall report to the Government any unserviceable conditions present, upon receipt of the Government-owned equipment, or during the term of this agreement, within 15 calendar days after discovery of such unserviceable condition.

3. The Borrower shall make no changes, alterations, or modifications to the loaned Government-owned equipment without the expressed written approval of the Government.

4. All costs for packing and crating, transportation to and from the Government location and the Borrower's place of use, and necessary maintenance and repairs incident to the loan and use of this equipment shall be borne by the Borrower.

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5. The Borrower assumes all liability for any personal injury or collateral damage to the facility or other equipment incident to this loan and use of the Government-owned equipment.

6. The Government reserves the right to immediately recall the Government-owned equipment to meet emergency or priority requirements.

7. This loan agreement will terminate on (Date) or any time prior to (Date) at the option of either the Government or the Borrower by giving written notification to the other party that continuation of this loan agreement is no longer desired. Upon termination of this loan agreement, the Borrower shall request instructions from the Government for disposition of the Government-owned equipment.

8. The Government shall derive from the Borrower the following benefits from the loan of this Government-owned equipment:

a. Scientific or mission benefit (i.e., to provide valuable scientific data on subjects exposed to high altitude field conditions, etc.).

b. Collaborative benefit (i.e., sharing of information between investigators at (name of USAMRMC activity) and (name of Borrowing activity/principal investigator), etc.).

AGREED

BY: \_\_\_\_\_  
 \_\_\_\_\_  
 For the (official name of Borrowing institution)

AGREED:

BY: \_\_\_\_\_  
 \_\_\_\_\_  
 For the U.S. Army Medical Research and Materiel Command